

HARBORVIEW MEDICAL CENTER
King County, Washington
July 1, 1992 Through June 30, 1993

Schedule Of Findings

1. Harborview Medical Center Officials Should Clarify And Comply With Applicable Payroll Overtime Policies

Harborview Medical Center (HMC) officials are not consistently complying with University of Washington policies requiring approval for individuals to work overtime hours, payment for which would exceed 25 percent of the employee's annual salary.

Harborview Medical Center is a county hospital operated by the University of Washington based upon an agreement with King County. All employees of Harborview Medical Center are employees of the University of Washington. As such, all University of Washington policies and procedures are applicable to these employees. During our audit, we noted 12 employees (other than nurses) were paid overtime in excess of 25 percent of their fiscal 1993 salary. In all but one case, this level of overtime was not approved by an area personnel representative. This is contrary to *University of Washington Operations Manual*, Section D45.7.(2a) which states in part:

It is the University's policy that an individual should not work overtime hours, payment for which exceeds 25% of their annual salary. Exceptions to this maximum may be approved by the Area Personnel Representative based on justification provided by the employing department.

Departmental officials were either unaware of the policy requirements or failed to monitor the amount of overtime being paid to staff. In addition, certain HMC officials stated they believed any employee working as a direct medical service provider was categorically exempt from the policy requirements. This exemption would be similar to the one granted for nurses.

Failure to adequately monitor overtime payroll amounts could result in excessive overtime payments and possible errors or irregularities occurring and not being detected in a timely manner. Additionally, control procedures should be in place to ensure compliance with management's directives as expressed in the university's operations manual.

We recommend Harborview Medical Center officials formally clarify whether all direct medical service providers are exempt from the approval requirements or whether this exemption only applies to nurses.

We further recommend Harborview Medical Center officials utilize the established systems to monitor overtime usage and comply with university policies.